



Henry S. Miller Commercial

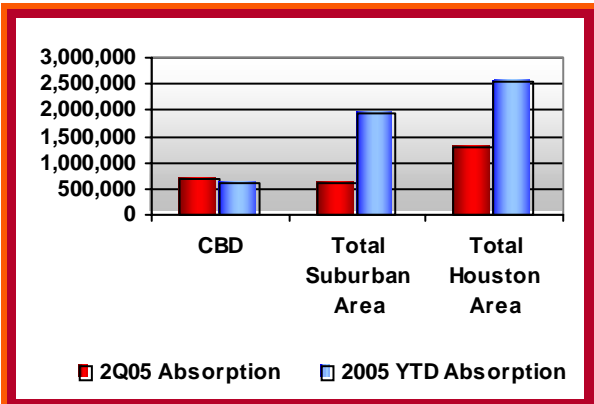
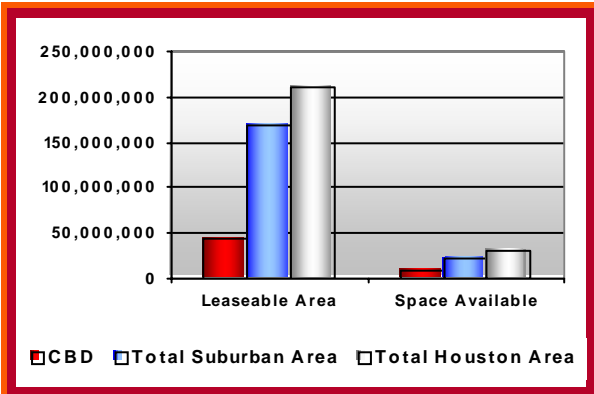
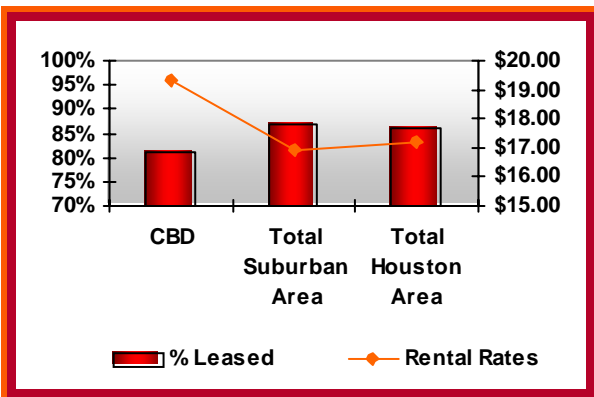
HOUSTON OFFICE MARKET MANAGER OVERVIEW 2ND QUARTER 2005



HOUSTON AREA MARKET TRENDS 2Q05 VS 1Q05



MARKET STATISTICS



Submarket	% Leased	2Q05 Absorption	Weighted Average Rental Rates			Under Construction
			Class A	Class B	Class C	
CBD	81%	678,483	\$20.98	\$16.76	\$12.82	0
Med Ctr/S Main	94%	76,081	\$22.84	\$23.54	\$14.83	511,381
Midtown	89%	215,811	\$20.50	\$18.15	\$15.08	0
Greenway Plaza	89%	200,073	\$19.18	\$16.93	\$13.01	0
Galleria/W Loop	83%	250,108	\$19.28	\$16.36	\$15.15	0
Bellaire	91%	-48,495	\$17.00	\$17.23	\$12.75	0
San Felipe/Voss	84%	41,812	\$14.76	\$16.72	\$14.24	0
Richmond/Ftnview	89%	47,539	\$18.00	\$15.78	\$12.61	0
SW Fwy/Hillcroft	82%	31,161	\$14.50	\$13.87	\$11.87	0
Westchase	87%	-17,218	\$21.29	\$15.24	\$13.33	0
Other Southwest	84%	-127,592	\$14.84	\$12.91	\$12.52	200,000
Ft Bend Co	87%	-430,866	\$20.39	\$16.57	\$15.82	184,798
Katy Fwy	90%	74,893	\$20.38	\$16.25	\$13.43	333,591
Northwest Fwy	85%	100,158	\$18.52	\$14.53	\$12.60	182,000
Greenspoint	84%	111,939	\$19.27	\$14.70	\$11.36	0
FM 1960	86%	-102,035	\$19.94	\$14.11	\$14.05	157,335
The Woodlands	91%	35,806	\$24.92	\$18.69	\$20.50	341,635
Kingwood	94%	8,400	--	\$17.70	\$14.35	30,000
Gulf Fwy/Pasadena	93%	77,942	--	\$16.05	\$11.71	0
NASA/Clearlake	87%	28,334	\$22.39	\$16.50	\$12.09	13,600
Other Submarkets	89%	37,881	\$16.98	\$15.01	\$12.87	177,461
Total Suburban	87%	611,712	\$19.17	\$16.34	\$13.71	1,954,340
Total Houston Area	86%	1,290,195	\$19.26	\$16.36	\$13.67	1,954,340

Total Houston Area represents the accumulation of all markets listed above that makes up the Houston office market. Total Suburban represents the Total Houston Area minus CBD (Central Business District).

For more information or a full Market Manager, please contact Tom Ford at 713-626-2828 and/or tford@henrysmiller.com.

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